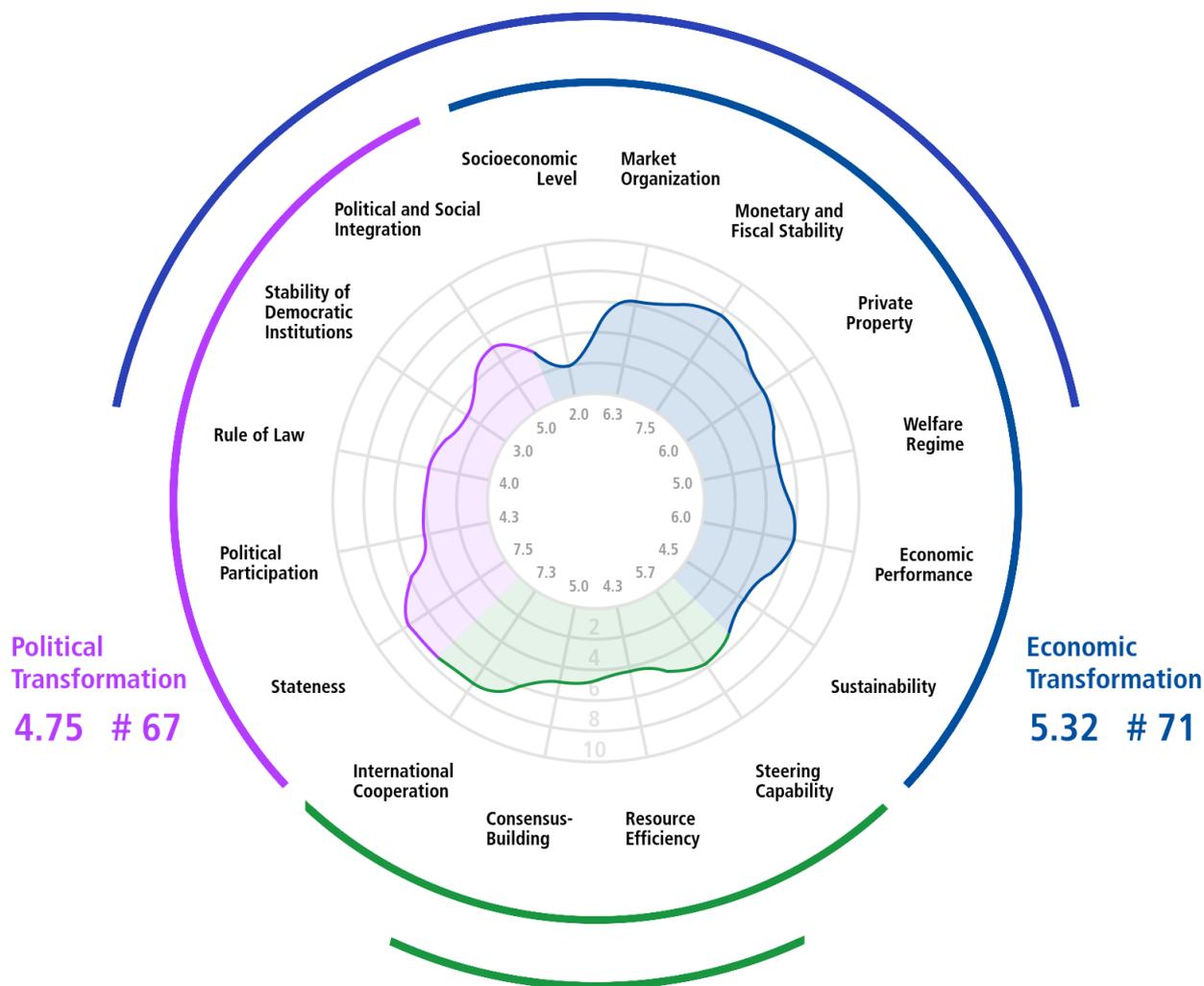


Tanzania

Status Index

5.04 # 67

on 1-10 scale out of 137



Political Transformation
4.75 # 67

Economic Transformation
5.32 # 71

Governance Index

5.13 # 45

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2026**. It covers the period from February 1, 2023 to January 31, 2025. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

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Contact

Bertelsmann Stiftung
Carl-Bertelsmann-Strasse 256
33111 Gütersloh
Germany

Sabine Donner

Phone +49 5241 81 81501
sabine.donner@bertelsmann-stiftung.de

Hauke Hartmann

Phone +49 5241 81 81389
hauke.hartmann@bertelsmann-stiftung.de

Sebastian Plate

Phone +49 5241 81 81263
sebastian.plate@bertelsmann-stiftung.de

Sabine Steinkamp

Phone +49 5241 81 81507
sabine.steinkamp@bertelsmann-stiftung.de

Key Indicators

Population	M	68.6	HDI	0.555	GDP p.c., PPP \$	4221
Pop. growth ¹	% p.a.	2.9	HDI rank of 193	165	Gini Index	40.5
Life expectancy	years	67.0	UN Education Index	0.441	Poverty ³	% 74.3
Urban population	%	38.1	Gender inequality ²	0.504	Aid per capita \$	45.9

Sources (as of December 2025): The World Bank, World Development Indicators | UNDP, Human Development Report 2025. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.65 a day at 2017 international prices.

Executive Summary

Since 2023, Tanzania has continued to experience key developments and trends that have driven democratic and economic transformation. President Samia Suluhu Hassan ascended to power following the death of President John Magufuli on March 17, 2021. Despite assuring the nation that she would continue her predecessor's policies, she adopted a different approach and instituted reforms that have continued to shape the country's transformation.

The thrust of her reform agenda, which marks a departure from that of her predecessor, has been the reintroduction of democratic culture and competitive politics in the country. This was marked by the formation of the Presidential Task Force on Multiparty Democracy on December 23, 2021. The task force, which submitted its report on October 21, 2022, covered nine areas, including political rallies; the conduct of elections; the participation of women, youth and vulnerable groups in multiparty democracy; and political party subsidies. The task force's recommendations led to the so-called 4R philosophy adopted by President Hassan. The four "R's" refer to reconciliation, resilience, reforms and rebuilding. Among other things, President Hassan committed to reviewing and amending various laws governing democratic procedures, political party activities, local government and general elections, and the functions of the electoral commission. Further, President Hassan committed to a review of the constitution. Since then, the key issues on the country's ongoing democratic reform agenda have been the independence of the electoral commission, the constitution and the establishment of a level political playing field.

On the economic front, President Hassan has launched a parallel reform agenda by implementing market-driven policies that are antithetical to her predecessor's policies. Privatization, foreign direct investment and investment-friendly policies have been pursued and implemented. They include, but are not limited to, the enactment of the new Investment Act No. 10 of 2022 and the creation of the Ministry of Investment, Industry and Trade. President Hassan has consistently observed that Tanzania has a strong record on peace and macroeconomic stability as well as

significant public investment commitments, and that FDI inflows will create more headroom to fund public investment. Accordingly, this will accelerate the transfer of technology and organizational and managerial capabilities.

During the review period from 2023 to 2025, President Hassan's government has thus pursued an ambitious reform agenda. In some ways, conservatives and staunch supporters of former President Magufuli within her own party have opposed initiatives aimed at bringing about political and economic reforms. Furthermore, her drive has been questioned since her government signed agreements with Dubai's state-owned port operator, DP World, to operate part of the Dar es Salaam port for 30 years, a deal opposed by some leading former government leaders, lawyers, academics, the opposition and human rights activists. Critics say the signed contract serves largely to benefit the investor while posing a serious threat to the nation's sovereignty and autonomy. President Hassan's government has also been criticized for delaying reforms, especially the constitutional review and the formation of an independent electoral commission. The 2024 civic elections were marred by several irregularities, and the so-called independent electoral commission is not quite independent, as nothing has changed in substance. It remains to be seen whether President Hassan and her government will deliver on their past promises.

History and Characteristics of Transformation

An assessment of Tanzania's transformation trajectory must consider the political structure of the United Republic of Tanzania (the Union), which comprises the mainland (formerly Tanganyika) and the semiautonomous Zanzibar (consisting of two main islands: Pemba and Unguja). Tanganyika attained independence on December 9, 1961. Zanzibar attained independence on January 12, 1964, following a revolution. Tanganyika and Zanzibar united on April 26, 1964, and formed the United Republic of Tanzania. There are two constitutions: the constitution of the United Republic of Tanzania (Union constitution) of 1977 (as amended from time to time) and the Zanzibar constitution of 1984 (as amended from time to time). Tanzania's legislative structure includes both the parliament of the United Republic of Tanzania (URT) and the House of Representatives for Zanzibar. There are union matters – which fall under the constitution of the United Republic of Tanzania (URT) – and non-union matters, which fall under the constitution of Zanzibar.

Upon attaining independence, both Tanganyika and Zanzibar – and, from April 26, 1964, Tanzania – were under a multiparty political system. A one-party system was formally introduced in Tanzania in 1965, following the adoption of the interim constitution. The country subsequently made a U-turn back to a multiparty political system in 1992. This period's first multiparty elections were held in mainland Tanzania and Zanzibar in 1995. The ruling party, the Revolutionary Party of Tanzania (Chama cha Mapinduzi, CCM) won both the Union and Zanzibar elections and formed the government. On the economic front, reforms from a socialist, state-controlled economy to a market-driven economy were marked by President Julius Nyerere's relinquishment of power in 1985 and the adoption of structural adjustment programs (SAPs) in 1986, which were spearheaded

by the Bretton Woods institutions (World Bank and International Monetary Fund). It is noteworthy that market-driven economic policies were pursued effectively from 1995, when the third-phase government under President Benjamin Mkapa assumed office.

Against this backdrop, Tanzania has practiced plural-competitive politics in line with a market-driven economy since 1995. On the political front, the ruling CCM party has comfortably won all elections in mainland Tanzania, which are held every five years (except the 2015 general election). This stands in stark contrast to Zanzibar, where, since 1995, electoral results have been contested and CCM has struggled to win. In effect, whereas Unguja has been a stronghold of CCM, Pemba has been a stronghold of the opposition Civic United Front (CUF) party. For instance, following the 2000 election, post-election violence in Zanzibar led to more than 20 deaths after CCM was declared the winner. In an effort to forge unity, the CCM and CUF formed a government of national unity (GNU) after the 2010 election to avoid bloodshed and post-election violence. On the economic front, macroeconomic performance was satisfactory and stable. GDP growth consistently hovered at around 6% to 7%. Tanzania was among the top economic performers in Africa, with inflation contained at about 5%. Nevertheless, reforms fell far short of overcoming the country's structural economic weaknesses, particularly with regard to the appalling level of poverty. The private sector has expanded substantially since the country's socialist past but is still hampered by an overbearing bureaucracy and state interference.

Fast-forward to 2015: Following Edward Lowassa's defection from CCM to the Party for Democracy and Progress (Chama cha Demokrasia na Maendeleo, CHADEMA), the leading opposition party, the union elections were highly competitive. Consequently, CCM was forced to nominate John Magufuli as its flag-bearer for the presidential election. Magufuli was declared the winner over Lowassa and assumed office at the end of 2015. Yet Magufuli was not what CCM had expected or hoped for. He pursued authoritarian-socialist policies that nearly brought the country back to the pre-1995 era. He took strong action to address long-standing issues such as corruption, embezzlement, negligence and inactivity in the civil service. His administration imposed a strict austerity policy on government spending, and he relied on dirigiste economic measures, often characterized by unpredictability and resource nationalism. He also made substantial investments in large-scale infrastructure projects. However, this led to a significant decline in opportunities for the private sector and investors. He additionally pursued an authoritarian approach toward opposition parties, media outlets and civil society organizations (CSOs). Opponents were intimidated, threatened with legal proceedings, arrested or simply disappeared. Furthermore, his term saw the passage of several highly restrictive laws that solidified and institutionalized the authoritarian transformation. Relations with development partners deteriorated due to his authoritarian policies and his handling of the COVID-19 pandemic. He rejected World Health Organization (WHO) guidelines and protocols for managing the pandemic and ceased cooperation with the WHO, which he accused of imperialism. The October 2020 elections – overshadowed by violence and allegations of massive manipulation – confirmed Magufuli in office. However, he died on March 17, 2021. In line with the URT constitution, the vice president, H.E. Samia Suluhu Hassan, assumed office and became the sixth president of the URT. Among other things, she became the first woman to hold the highest office in the land. Since then, she has been implementing reforms to return the country to where it was in 2015 and restore the country's former political and economic order.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

The security forces are loyal to and controlled by the state, and face no competition from other social or militant groups. Local vigilante groups are registered with the police and cooperate with them. There are no significant armed rebel groups or guerrillas. Isolated, locally limited violent conflicts (mainly driven by land issues), sporadic politically motivated assaults and a comparatively low level of violent crime nevertheless somewhat restrict the state's monopoly on the use of force.

Generally, the country has been stable and peaceful.

A large majority of the population accepts the nation-state as legitimate.

Citizenship and naturalization are not denied on the basis of race, ethnicity, national origin, religion or gender or for political reasons.

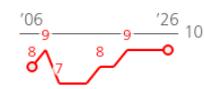
However, the legitimacy of the union between the mainland and semiautonomous Zanzibar is questioned by some politicians and segments of the Zanzibar population. They argue that Zanzibar is under-represented in the Union, politically and culturally marginalized, and economically exploited by the mainland. Their demands range from greater autonomy to complete independence for Zanzibar.

In Zanzibar, opposition supporters have been denied citizens' rights, mainly during voter registration procedures preceding Zanzibar presidential, parliamentary and district council elections. To vote in Zanzibar elections, voters must have a Zanzibar Identity Card (ZanID) issued by local government officials (shehas). In many cases, shehas have refused to issue ZanIDs to supporters of the opposition.

Question
Score

Monopoly on the
use of force

9



1

State identity

8



1

The country's legal and institutional framework is based on a secular arrangement that has been in place since independence. Under the fourth-phase government (2005 – 2010), there were attempts to introduce an Islamic court based on Shariah law (Kadhi Court), but the effort did not succeed and was rebuffed. In Zanzibar, which is predominantly Muslim, the Kadhi Court has been operating, albeit on the periphery of the legal system. On the Tanzania mainland, this is not the case. In Zanzibar, people prefer formal government channels, so there has not been a conflict between secular and religious norms. In addition, in Zanzibar, laws are to some extent influenced by religious doctrines associated with the dominant Muslim faith (e.g., some religious rules for Ramadan have been included in Zanzibari laws).

Tanzania is generally described as a relatively well-administered state. Administrative structures exist throughout the country. However, performance is seriously hampered by insufficient financial resources, the waste and embezzlement of public funds, unmotivated and incompetent staff, corruption and political interference.

Service delivery – particularly deficient in rural areas – has improved in recent years, although only slightly. Only about 60% of the population has access to basic water services, and only 25% use safely managed sanitation facilities, up from 20% in 2014. Successive governments have successfully implemented measures to improve school enrollment rates in primary and secondary schools; however, learning and teaching environments and thus the quality of education remain poor. Basic health care facilities exist even in the most rural areas, but often lack essential medications and qualified staff. The share of the population with access to electricity increased to 46% by 2022 from 15% in 2012.

Primary courts and police are present and accessible throughout the country but generally have a poor reputation among the public. Both are considered prone to corruption. Court cases usually take an extremely long time, and the police tend to overreact in difficult situations.

Several reform programs have been implemented to strengthen the administrative system and improve performance, though without resounding success.

2 | Political Participation

Tanzania has a dominant-party system, with the ruling CCM party having held the reins of power since independence. Although general and civic elections are held regularly, serious irregularities undermine their freeness, fairness and credibility. The electoral management body is not independent, as its chair and commissioners are still appointed by the president, who is also the chairperson of the ruling party. Moreover, presidential election results cannot be contested in a court of law. “State-party fusion” is still very much a political reality, making it nearly impossible to draw a clear line between the state and the party, even during election campaigns.

No interference of religious dogmas

8



1

Basic

administration

5



1

Free and fair elections

4



1

Presidential, parliamentary and district council elections are held every five years. Universal suffrage and ballot secrecy are generally ensured. Fully registered political parties may participate in elections, and mandates are filled according to election results.

There are about 20 registered political parties. However, the political landscape is strongly dominated by the Revolutionary Party of Tanzania (Chama cha Mapinduzi, CCM), which has governed the country since independence in 1961. Two major opposition parties have emerged: the Party for Democracy and Progress (Chama cha Demokrasia na Maendeleo, CHADEMA) on the mainland and the Alliance for Change and Transparency (ACT-Wazalendo), which is particularly strong in Zanzibar.

Elections for Union institutions (the presidency and the parliament) and for district councils on the mainland are administered by the National Electoral Commission (NEC), which was reorganized and renamed the Independent National Electoral Commission (INEC) in April 2024, but remains dependent on the president. The Zanzibar Electoral Commission (ZEC) administers elections for the Zanzibar presidency, parliament and district councils. Neither commission is independent of its respective administration. While the outcomes of elections administered by the NEC have generally reflected the voters' will, most, if not all, past elections in Zanzibar have been severely manipulated.

Growing support for the opposition may have resulted in the ruling party's determination to ensure that the CCM will remain in power by any means necessary. During President Magufuli's tenure, the democratic process deteriorated dramatically. The local elections of 2019 and 2024, as well as the 2020 general elections, were marred by violence and fraud. Politicians from opposition parties were harassed, arbitrarily arrested and charged with sedition for inciting public unrest or threatening the peace. Particularly in the 2024 local elections, hundreds of opposition candidates were disqualified by the authorities for alleged mistakes in completing the required forms. The ruling party used state resources to campaign, while the authorities frequently restricted opposition activities in the already short campaign period. Numerous opposition candidates and voters were denied registration on dubious grounds, and several supporters and candidates from opposition parties were intimidated and arrested. Other problems included restrictions on political party agents' access to polling stations, limited election observation, and the widespread blocking of social media both on and after election day.

In Tanzania, once elected, the president holds almost all effective governing powers. The constitution, as well as the country's legal and policy framework, has concentrated and conferred all powers on the president. The country effectively has an "imperial presidency," and the president appoints more than 2,000 officeholders to posts in the executive, judicial and even legislative branches. In filling any administrative position, the president must make the appointment or at least be involved. In Tanzania, no individual or group holds any de facto veto power.

The dominance of the executive limits the power of the (elected) legislature to hold the government accountable. The strongest veto group is the ruling party, the CCM. President Hassan has faced considerable political headwinds from Magufuli supporters within her own party, especially during the first months of her presidency. Interest groups of all sorts (economic, faith-based, criminal) try to influence decision-making, and some of these groups engage in corruption.

The military wields considerable influence but remains completely outside public scrutiny. However, it is fully integrated into the political system and controlled by the state's civilian institutions.

Although the constitution guarantees the rights of association and assembly, implementation has proved challenging since the fifth-phase government under President Magufuli (2015 – 2021). Although some rights have been restored since President Samia Hassan assumed office in 2021, challenges remain, as police, citing security reasons, have denied opposition parties permission to hold rallies, peaceful protests and demonstrations. As such, restrictions persist, and despite these constitutional guarantees, some power holders – especially when held to account – often act as if these rights exist at the mercy of the president and the ruling party. Recently, there have been threats that the president could ban political rallies if opposition parties and critics continue to seek to hold the government to account.

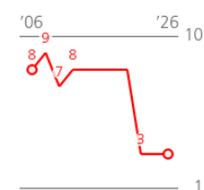
Citizens can form associations and assemble, as the degree of state interference with the activities of non-governmental organizations is generally low.

Amendments to several laws on political parties, NGOs, CSOs and cooperative societies were introduced by the Magufuli administration in 2019 and remain in force. They severely restrict the freedom of association and increase the state's control over NGOs, CSOs and opposition parties.

The constitution guarantees the freedom of expression and the right to information. However, these rights are severely curtailed by several restrictive laws including the Cybercrimes Law (2015), the Statistics Act (2015, amended 2018), the Media Services Act (2016), the Films and Stage Plays Act (amended 2019), and the Electronic and Postal Communications (Online Content) Regulations (2018, amended 2020). Several journalists, bloggers and social media influencers have been abducted by – according to the police – "unknown people," or have been threatened by members of the security forces. In addition, there have been occasional incidents of state censorship and media shutdowns. As a result, many media workers practice self-censorship.

Effective power to govern

3



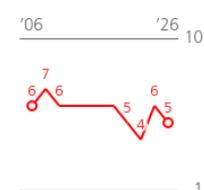
Association / assembly rights

5



Freedom of expression

5



3 | Rule of Law

The separation of powers is constitutionally assured, but in practice, the executive branch dominates. Notably, Tanzania has a hybrid system that combines elements of both parliamentary and presidential systems of government. The president has absolute power, and owing to the parliamentary system, the country has a dual executive – meaning the executive branch extends into the legislative branch. Furthermore, the president can dissolve the legislature if it fails to pass the budget proposed by the president. The judges of the High Court and the Court of Appeal are appointed by the president. Given these circumstances, the actions of checks and balances are seriously undermined.

However, even formally, the separation of powers is limited. The parliament includes the National Assembly and the president. The president has the right to appoint up to 10 additional unelected members of parliament. The attorney general – a presidential appointee – is an ex officio member of parliament. Judges and magistrates are also appointed by the president.

The constitution vests considerable power in the president, effectively creating an imperial presidency, and lacks robust mechanisms to hold the president accountable. The executive provides budget allocations to the other two branches of government.

The independence and credibility of the judiciary remain highly compromised due to a number of factors, including some dubious judicial appointments, a lack of resources – as its budget is allocated by the executive – and corruption allegations. From time to time, the judiciary has declined to rule on contentious cases involving the executive, arguing that it does not enact laws and that such matters should be decided in the legislature, which is controlled by the executive via the ruling party's majority. Some judges have completely lost credibility, and in some cases the judiciary is seen largely as a rubber stamp for decisions made by the executive and legislative branches.

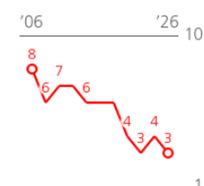
Lengthy legal proceedings, inefficiency, a scarcity of financial resources and qualified personnel, and public distrust further limit the legal system's capacity to fulfill its intended role. In early 2020, the government increased its control over the country's formally autonomous bar association through a controversial amendment to the Tanganyika Law Society Act.

Higher-level courts such as the High Court and the Court of Appeals continue to demonstrate strong resistance to government pressure. In at least a few cases, upper courts have ruled against the government.

However, the judges of the High Court and the Court of Appeals are presidential appointees. This arrangement compromises judicial independence.

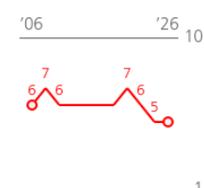
Separation of powers

3



Independent judiciary

5



To a large extent, public servants and politicians are not held accountable when they break the law and engage in corrupt practices. This is in large part due to the “state-party fusion” and a robust appointment and power network controlled by the presidency. Corruption is structurally ingrained among the political and economic elite. It is also common among lower levels of public administration; among faith-based organizations and the general public; and in the private sector, the media and civil society. This said, President Hassan has made it clear that she does not plan to deviate from her predecessor’s anti-corruption stance. She has dismissed several high-ranking officials over corruption allegations, although the extent to which these dismissals were motivated by political considerations has not always been clear. Two prominent former Magufuli loyalists who were allegedly engaged in criminal activities were brought to court.

However, 2020 legal amendments undermined the practice of solidarity lawsuits by denying individuals or entities the right to sue for their rights unless they are directly affected. In November 2019, Tanzania denied individuals and NGOs the right to file cases directly against the government before the African Court on Human and People’s Rights. The 2020 amendments also granted the president, vice president, prime minister, speaker, deputy speaker and chief justice immunity for any act of commission or omission in the course of their duties.

Recently, civil rights violations have become more frequent. Government critics and human rights activists have disappeared, and others have been abducted by “unknown people.” Other leading critics have been detained by authorities without being prosecuted. Although mechanisms and institutions to prosecute, punish and redress civil rights violations are in place, their effectiveness is faltering.

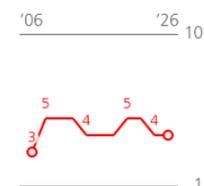
A widely held belief in witchcraft also threatens the rights to life and security of certain people, mainly elderly women and people with albinism. According to the Legal and Human Rights Center, the prevalence of witchcraft-related killings has declined in recent years as a result of increased police action.

Torture is not systematically practiced. However, the right to personal security is not guaranteed in prison. Prison conditions are generally appalling, and prisoners must rely on the benevolence of prison staff.

While the judicial system formally provides access to justice, it is constrained by several factors. There is a shortage of courts and qualified personnel, especially in rural areas. Many people are unfamiliar with the court system and are hesitant to bring cases. For most poor Tanzanians, court fees are prohibitively high and legal aid is unaffordable. Furthermore, many have little trust in the legal system and its ability to resolve disputes fairly and satisfactorily because of lengthy court procedures and a widespread perception that the courts primarily protect the interests of wealthy and influential people.

Prosecution of office abuse

4



Civil rights

4



The law provides for equality before the law. However, some laws, including inheritance and marriage laws, discriminate against women. The government has frequently spoken out against discrimination against girls and women, and has implemented several programs to promote gender equality. However, these efforts are undermined by common cultural norms and values in a male-dominated society. Gender-based violence is common.

Homosexual acts are criminalized in Tanzania. Prejudice and discrimination based on sexual orientation are widespread due to cultural and religious norms. Discrimination against people with disabilities is also common.

4 | Stability of Democratic Institutions

Because of the nature of the country's imperial presidency, democratic institutions follow orders from "above" – that is, the president. Democratic institutions have to align with the interests and priorities of the president.

In principle, democratically legitimated institutions exist at the national, regional and local levels. The National Assembly, local councils and the national and local governments are elected, albeit under very questionable conditions that contradict democratic principles. Despite the president and ruling party's considerable power to interfere, decision-making generally follows appropriate and legitimate procedures, at least formally.

The courts and most administrative structures are weak because of underfunding, incompetence, unclear or missing information, corruption and nepotism, especially at the regional, district and local levels.

Friction occurs between ministries and at the district and local levels, where elected local government structures and appointed central government structures overlap.

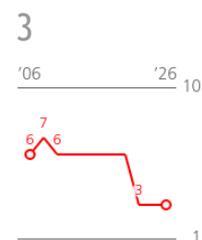
Democratic institutions are largely viewed as vehicles to pass down, translate and enforce the interests of the president and the government of the day.

Democratic institutions are in principle accepted as legitimate by most relevant actors. Although President Hassan and her administration appear to accept the legitimacy of democratic institutions (such as independent media, civil society organizations and opposition political parties), the ruling CCM party uses its historical strength to dominate the political system. This dominance allows the CCM to block further democratic reforms.

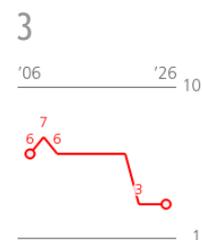
As a consequence of party-state fusion, state institutions are not always fully accepted by all relevant actors, because even government officials occasionally feel more bound by the dictates of the state party and the president than those of the legislature. Most people who are not CCM sympathizers have reservations about the impartiality of election management bodies, which are viewed as biased toward the ruling party.

Tanzania has no history of coups or other forms of military involvement in politics.

Performance of democratic institutions



Commitment to democratic institutions



5 | Political and Social Integration

Tanzania transitioned to multiparty politics in 1992. Since then, despite the inception of plural politics, the ruling party has used its power to suppress opposition parties that are not socially rooted or institutionally organized. In general, the party system is unstable, and defections from one party to another are frequent. Likewise, voter volatility depends more on the appeal of individual contestants (personality politics) than on party politics or political parties. The degree of fragmentation and polarization is also largely determined by personality politics, and varies from time to time.

The party system is dominated by the former state party, the Revolutionary Party of Tanzania (CCM). The CCM, which has been in power since the country's independence in 1961, is deeply rooted in society and has branches and members in every corner of the country. Despite recurring internal frictions, the CCM has proved to be very stable. The CCM's wing in Zanzibar enjoys considerable independence within the party, with specific interests that sometimes contradict those of the main party. Apart from the divide between the mainland and Zanzibar, mutually hostile factions sometimes emerge, mainly based on clientelist networks of ambitious leaders pursuing their own interests. Currently, President Hassan (also the CCM chairperson) has consolidated her power base within the party against supporters of former strongman Magufuli, whose interests she nevertheless must consider.

Opposition parties emerged after the multiparty system was reintroduced in 1992. Most lack concise programs and draw support mainly by opposing the CCM.

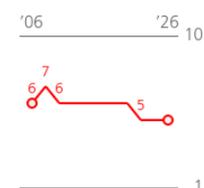
The Party for Democracy and Progress (CHADEMA) has stabilized as the leading opposition party since 2010 and – in the 2015 elections – was the first party to challenge the CCM's dominance.

Although some CHADEMA politicians have built strong local bases for their party over the years, the party as a whole can hardly be described as socially rooted. It draws its current support from opposition to the CCM and has some regional strongholds. However, CHADEMA is particularly popular among young voters, the largest voter group.

In Zanzibar, the political arena is extremely polarized, and society is divided along party lines. Support for the opposition Alliance for Change and Transparency – Patriots (ACT-Wazalendo) and CCM on the islands has been of nearly equal strength, with ACT overwhelmingly supported in Pemba and Zanzibar's Stone Town. ACT was well rooted in Zanzibar, although it owed much of its support to its charismatic leader, Hamad, who died in 2021. Despite claiming that the 2020 elections were heavily rigged, ACT leaders ultimately accepted an invitation from the new Zanzibari president, Hussein Ali Mwinyi, to join the constitutionally required government of national unity (GNU) in December 2020.

Party system

5



A handful of smaller parties (e.g., the NCCR-Mageuzi, the Tanzania Labor Party (TLP) and the United Democratic Party) have played or continue to play a role in the political arena. However, these parties are mere electoral vehicles for their leaders rather than socially rooted, organized political parties with distinct party programs. Several other parties exist but are insignificant.

Massive repression by the state apparatus during the Magufuli era and anti-democratic legislation (which is still partly in effect) have further weakened opposition parties' ability to articulate and aggregate societal interests.

Polarization between the opposition and ruling parties has always been very substantial in Zanzibar. Since the 2015 elections, this has also been the case on the mainland. The oppressive reaction of the state apparatus to the opposition further increased polarization, which became particularly evident during the 2019, 2020 and 2024 elections.

Interest groups remain weak because of a number of factors, including restrictive laws that limit their sphere of operations, weak or poor organization, a lack of resources, and a high concentration in urban areas. To a large extent, interest groups have failed to maintain momentum toward desired goals. Against this backdrop, their scope remains narrow, dominated by a few players, with some largely co-opted by state organs.

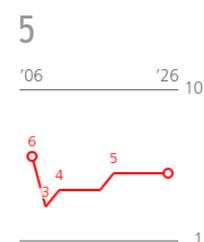
During the one-party era (through 1992), independent civic activities were suppressed, and social interests were incorporated into the single party.

In the 1990s, donor countries' practice of supporting NGOs rather than the government led to a proliferation of service-delivery organizations. These ranged from small local self-help groups to international NGOs.

Some politically active advocacy CSOs have emerged, though these are far fewer in number than NGOs and are mainly based in major cities. Between one and two dozen advocacy CSOs operate professionally and can play a mediating role between society and politicians. They work across a wide range of issues, including human and women's rights, empowerment, health, education, democratization, gender, environmental, land management and media. The major CSOs usually work together and form alliances to advocate for specific topics of common interest. However, their claim to represent the interests of the poor majority is somewhat questionable because of their strong urban and elitist base and heavy dependence on external donor funding.

There are several trade unions and professional associations. However, most lack professional structures and adequate funding. Nevertheless, they have some bargaining power to improve conditions for their respective member groups, especially if they represent a strategically important sector (such as transportation, education or medicine).

Interest groups



Faith-based organizations (FBOs) and religious leaders enjoy a high degree of legitimacy and play an important role in mediating between society and the state. Unlike most CSOs, including trade unions and professional associations, FBOs are also present in rural areas.

Ethnic and regionalist sentiments are not embraced by service delivery NGOs, advocacy CSOs, FBOs or religious leaders, or trade unions and professional associations. Instead, such organizations see themselves as being pro-democracy. In practice, they play a limited but constructive role. Since religious affiliation constitutes a major source of identity in Tanzania, FBOs and religious leaders play an important role in mobilizing people and mediating among different interests. In general, FBOs and religious leaders contribute to peace and social cohesion through interfaith dialogue and cooperation, among other channels. However, by propagating conservative values and defending conservative and even undemocratic structures, they stifle democratization at times. Furthermore, conflicts between and within various religious groups and denominations pose a threat to peace and stability.

With more power concentrated in the executive branch and the presidency, and democratic norms in decline, levels of public approval of democracy are fairly low. Institutions and actors have recently become “cheerleaders” for the president. Levels of approval of democratic institutions, especially parliament, have hit a new low, in part because parliament is largely composed of members of the ruling party (CCM). Further, the civic elections held in 2024 saw the CCM officially win 99% of the vote, although the opposition alleged several irregularities that marred the election. CHADEMA, the leading opposition party announced during the review period that it would block or boycott the 2025 general election if no reforms in the legal and electoral system were made (the party’s slogan: “no reforms, no election”).

In the Afrobarometer Round 10 survey, taken in 2024, 79% of the population said they preferred democracy to any other political system. A total of 39% said they believed the media were completely free, and another 42% said the sector was somewhat free. At the same time, about half of respondents agreed that the government should be able to regulate the media and prevent the spread of content it disapproves of.

For most of the population (mainly in rural areas), close, informal networks of extended families provide the social capital to manage everyday life and confront challenges arising from economic, social and natural crises. In the 2024 Afrobarometer surveys, 81% of respondents said other citizens could be trusted. Families and neighbors remain the most trusted networks.

People tend to organize informally rather than rely on public or formal organizations to improve their situations. According to Twaweza (2014), 72% of people interviewed were at that time involved in a community organization, such as a religious group or a savings and loan group. Political self-organization tends to be limited to urban areas.

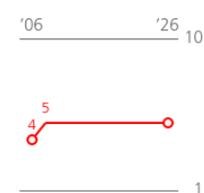
Approval of
democracy

n/a



Social capital

5



However, family and community bonds, self-help organizations, and savings groups generate important networks of solidarity in the absence of reliable and comprehensive safety nets provided by the state, NGOs, faith-based organizations or other institutions. Their importance also makes them vulnerable to misuse and fraud.

Self-help organizations have existed for a long time and remain important. As of the end of 2023, there were 884 registered savings and credit cooperative organizations (SACCOs) in Tanzania. Further, according to the 2023 annual performance report by the Tanzania Communication and Development Center (TCDC), an NGO, membership in SACCOs rose from 1.8 million in 2022 to 1.82 million in 2023, a 0.52% increase. Likewise, the number of village community banks (VICOBAAs) has risen dramatically, to the extent that they are now required by law to register with the central bank of Tanzania. These associations express a sense of solidarity among citizens, and they are used to solve challenges, including building roads in neighborhoods and addressing environmental problems at both the small and medium scales.

II. Economic Transformation

6 | Level of Socioeconomic Development

Although Tanzania has made considerable improvements on the UNDP's Human Development Index, moving from a score of 0.353 in 1990 to 0.532 in 2022, it continues to rank among the countries with the lowest levels of human development worldwide. On the 2024 HDI, Tanzania was ranked 167th of 193 countries.

Social exclusion remains widespread in Tanzania, with sharp divides between rural and urban areas and between poor and rich regions, and a clear gender gap with respect to poverty rates and inequality. According to the World Bank (2019/2021), the proportion of people living at the national poverty line in mainland Tanzania fell from 34.4% to 26.4% between 2007 and 2018, and the extreme poverty rate fell from 12% to 8%. However, population growth outpaced the speed of poverty reduction, which resulted in an increase in the absolute number of poor people. In Zanzibar, the poverty rate fell from 34.9% to 25.7% between 2009 and 2019, and the extreme poverty rate fell from 11.7% to 9.3%. According to the Tanzania 2024 Constraints Analysis Report by the Millennium Challenge Corporation (MCC), poverty rates are highest in rural areas, where they were roughly double those in the urban areas of the mainland (31% vs 16%) and Zanzibar (34% vs 16%) in 2018. This corresponds with higher poverty rates among households in which the head's main employment is agriculture (30%) compared with manufacturing (19%), services (12%) or public administration (7%). Eighty percent of poor households worked on their own farms. In urban areas, a greater share of households headed by women, particularly single and divorced women, were poor than of households headed by men.

Question
Score

Socioeconomic
barriers

2

'06 '26 10



As for cross-cutting considerations affecting labor and employment, high maternal mortality rates, the prevalence of early marriage, gender-based violence, attitudes condoning gender-based violence, and employment hurdles are all substantial gender-inequality concerns in Tanzania. Women in rural areas experience additional challenges that constrain their well-being, economic opportunities and security, including a lack of mobility and higher rates of intimate partner violence compared with women in urban areas. Likewise, Tanzania scores poorly on indices of youth well-being, such as the Commonwealth's Youth Development Index (YDI), on which it was ranked 148th out of 181 countries in 2020, with the report's lowest scores on indicators relating to education, equality and inclusion. A substantial proportion of women's employment remains informal, particularly with respect to trade across Tanzania's land borders (UNCTAD, 2019). The share of women's formal employment in export firms is still low at 37%, amounting to 26% of production workers and 31% of non-production workers. This suggests that there may be normative or practical barriers to identify and address to ensure that women benefit from trade expansion. Supply-side barriers are likely to include lack of sufficiently educated and skilled workers to fit firms' needs, as well as attitudes and institutions that impede women's employment choices in export firms, such as those affecting gender equality in mobility.

Demand-side barriers might include normative issues within firms, including perceptions that women are not suited to certain types of work (World Bank 2023). Almost a third of women (30%) were employed in agriculture in 2020/21. Of those, most were self-employed workers (27%) or working for family members (68%).

Economic indicators		2021	2022	2023	2024
GDP	\$ M	70655.6	75770.0	79062.4	78779.9
GDP growth	%	4.3	4.6	5.1	5.5
Inflation (CPI)	%	3.7	4.4	3.8	3.1
Unemployment	%	2.8	2.6	2.6	2.6
Foreign direct investment	% of GDP	1.7	1.9	2.1	2.2
Export growth	%	5.2	10.2	13.2	16.4
Import growth	%	9.6	23.7	7.5	9.2
Current account balance	\$ M	-2374.2	-5482.2	-2958.3	-

Economic indicators		2021	2022	2023	2024
Public debt	% of GDP	43.4	44.9	47.8	49.9
External debt	\$ M	28525.7	30379.2	34598.0	-
Total debt service	\$ M	1961.6	1993.3	2242.4	-
Net lending/borrowing	% of GDP	-2.4	-3.1	-3.7	-2.4
Tax revenue	% of GDP	10.9	11.8	11.5	12.8
Government consumption	% of GDP	8.0	8.3	8.8	9.2
Public education spending	% of GDP	3.1	3.2	3.3	3.2
Public health spending	% of GDP	0.9	1.0	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	1.1	1.1	1.2	-

Sources (as of December 2025): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

7 | Organization of the Market and Competition

The fundamental conditions enabling domestic and foreign market competition exist in Tanzania, but the institutional framework remains weak. Although the majority of former state-owned enterprises have been privatized, the government still controls pricing in the agricultural, telecommunications, banking, energy and transport sectors. International investment has continued to focus mainly on mining, services (telecommunications, finance, tourism), construction and the manufacturing sector. According to the International Labour Organization (ILO), the informal employment rate stood at 93.3% in 2020.

From 2015 to 2021 (under President Magufuli), Tanzania made a U-turn that discouraged liberalization and market competition in favor of nationalistic and protectionist economic policies. Following his death, his successor President Hassan instituted reforms aimed at promoting the private sector, market competition and trade liberalization. Under President Hassan's leadership, there have been ongoing efforts to develop market-based competition and encourage foreign direct investment (FDI), with the private sector as a key player in the economy. In November 2022, a new Investment Act was enacted, and several high-level dialogues have been held to promote the private sector. Furthermore, President Hassan has established the

Market
organization

5

'06 _____ '26 10



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Ministry of Investment and Trade to promote and liberalize the country's market economy. However, some reforms have been implemented slowly, and cumbersome bureaucratic procedures remain a burden on the development of a functioning market economy.

Further, Tanzania's tax policy and administration exhibit low levels of domestic resource mobilization while still creating a significant burden for the private sector. This is due in part to the relatively small formal economy, which bears the brunt of high tax rates and the costs of tax compliance.

Tanzania enacted its first competition law, the Fair Trade Practices Act, in 1994 and established a department within the Ministry of Trade and Industry to oversee its implementation. The law was later replaced by the Fair Competition Act (FCA) of 2003. The FCA aims to promote competition in trade and commerce while safeguarding consumers from unfair and misleading market practices.

In 2007, the FCA established the Fair Competition Commission (FCC), which has the power to investigate and impose sanctions, and the Fair Competition Tribunal (FCT), the appellate authority for FCC decisions. The FCC is a member of the International Competition Network.

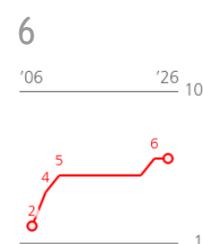
The FCA's authority also applies to the state and its agents when they engage in commercial activities. However, the commission has no mandate to handle competition matters in the four strategic sectors – energy and water, transport, civil aviation and communications – for which specific regulatory authorities exist.

Tanzania has a sound legal and institutional framework for implementing and developing competition legislation and policy, which incorporates numerous international best practices and standards. Despite this, enforcement of antitrust policy remains limited. Specifically, there are severe problems with the FCC, including a lack of competent and trained staff and financial resources.

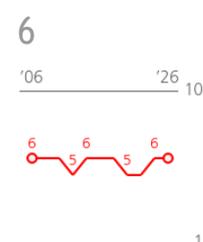
President Hassan has instituted reforms geared toward liberalizing foreign trade. In November 2022, the new Investment Act was enacted, and the new Ministry for Investment and Trade was established. Furthermore, some deliberate measures have been undertaken to promote foreign investment, including streamlining and fast-tracking the issuance of work permits for foreigners and a reduction of trade barriers. According to the World Trade Organization (WTO), the simple average applied most-favored-nation (MFN) tariff rate was 14.1% in 2023.

Since market liberalization and privatization of the former socialist economy began very cautiously in 1986, before being pursued systematically in the 1990s, trade has been continuously liberalized, mainly within the context of the East African Community (EAC).

Competition policy



Liberalization of foreign trade



As a member of the WTO since 1995, Tanzania aligns with the positions of the group of least-developed countries (LDCs) and the African, Caribbean and Pacific Group of States. In April 2020, the country ratified the WTO Trade Facilitation Agreement (TFA). As a founding member of the East African Community (EAC), Tanzania is undertaking trade liberalization within the EAC's customs union and applies the EAC's agreed common external tariff.

Several regulations have been adopted to harmonize EAC members' trade policies toward third countries. EAC countries' multiple memberships in regional economic communities such as the Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA) continue to pose major hurdles to harmonization. Tanzania extends reciprocal tariff preferences to SADC members.

In 2016, Tanzania refused to sign a comprehensive economic partnership agreement (EPA) with the European Union because of concerns that the agreement would stifle Tanzania's industrialization. In early 2022, however, President Hassan announced that Tanzania was considering endorsing the EPA after all.

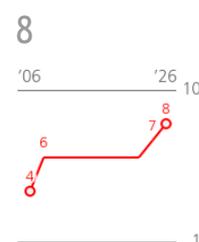
Tanzania has concluded bilateral treaties to promote and protect FDI with several European Union member states. China, India and the European Union are Tanzania's largest trading partners.

Overall, President Hassan has reversed her predecessor's erratic, nationalist and protectionist economic policies and significantly enhanced the country's openness to foreign trade. She has assured international trading partners that she would uphold a consistent, reliable, business-oriented trade policy and remove obstacles introduced by the Magufuli administration. Long-standing trade issues with Kenya have been resolved, and trade between the two countries has increased substantially.

The Tanzanian banking sector recorded strong growth in 2022 (and 2023), with profit before tax reaching TZS 1.4 trillion, a 38% increase from TZS 1 trillion in 2021. Net profit reached TZS 875,027 billion, compared with TZS 676,863 billion. As of March 2024, 47 licensed banks operated in Tanzania: 34 commercial banks, four community banks, four microfinance banks, two development banks, one non-bank financial institution, one house financing company and one mortgage refinancing company. Altogether, they had 981 branches and 75,238 bank agents in 2022. The sector's total assets increased by 17.3% to TZS 46.16 trillion in 2022 from TZS 39.35 trillion in 2021. This was mainly attributed to the increase in deposits, borrowings and retained earnings.

According to the World Bank, Tanzania's bank capital-to-asset ratio stood at 12.1% in 2022. Likewise, asset quality improved, as reflected by a decline in the non-performing loan (NPL) ratio to 5.8% in 2024 from 8.5% in 2021. The improvement in asset quality was due to improved credit risk management practices by banks and

Banking system



financial institutions, as well as measures instituted by the central bank of Tanzania (BOT). According to the Tanzania Banking Sector Report 2024, loans, advances and overdrafts increased by 25.3% to TZS 26.10 trillion, accounting for 56.5% of total assets. The growth was attributed to a favorable macroeconomic environment, the central bank's sustained accommodative monetary policy, and regulatory measures taken to support the private sector's credit growth. Furthermore, the volume of loans, advances and overdrafts increased by 25.3%, and deposits increased by 14.3% in 2024 compared to 2021.

8 | Monetary and fiscal stability

According to the National Bureau of Statistics (NBS), the consumer price index (CPI) in Tanzania increased to 117.57 points in January 2025 from 116.87 points in December 2024. The CPI averaged 87.25 points from 2009 to 2025, reaching an all-time high of 117.57 points in January 2025 and a record low of 49.11 points in November 2009. The inflation rate remained unchanged at 3.1% in January 2025. The inflation rate in Tanzania averaged 6.25% between 1999 and 2025, reaching an all-time high of 19.80% in December 2011 and a record low of 3% in November 2018.

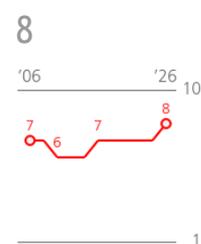
The currency policy has produced mixed results. Because of a persistent foreign trade deficit and the variability of international transfers (for example, in the form of development aid), the value of the Tanzanian shilling (TZS) has fallen slowly but steadily against the U.S. dollar since 2006. However, the exchange rate has remained relatively stable in recent years.

Controlling inflation and ensuring an appropriate foreign exchange rate are recognized by the government of Tanzania as important goals. The central bank (BOT) is charged with this role, as stated in the National Five-Year Development Plan (2021/22 – 2025/26). The central bank is largely independent and operates professionally, albeit with occasional political influence.

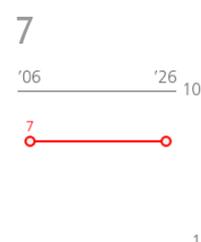
According to the central bank's Financial Stability Report 2023, the government's budgetary policies have continued to support fiscal stability to a great extent. The report notes that Tanzania's diverse economy has remained resilient in the face of global economic challenges such as rising commodity prices, persistent geopolitical tensions, the COVID-19 pandemic, growing interconnectedness in the financial system and climate-related risks. The country's financial system remained resilient supported by robust capital and liquidity positions, the rebound of economic activities, and improved business conditions due to policy, regulatory and supervisory actions taken by governments and financial sector regulators.

The domestic economy remained steady despite external vulnerabilities. The mainland's economy grew by 5.1% in 2023 and was projected to grow by 5.4% in 2024, while Zanzibar's economy grew by 7.4% in 2023 and was projected to grow

Monetary stability



Fiscal stability



by 7.2% in 2024 (BOT 2023). This growth is mainly attributed to improvements in business conditions, banking sector profitability, and the availability of liquidity to fund business and public investments. However, the economy is exposed to external and internal risks related to tightening global financial conditions, climate change, adverse spillovers from the ongoing war in Ukraine, and disruptions in the global supply chain associated with the ongoing geopolitical tensions in the Middle East. As of the end of fiscal year 2023/24, Tanzania's central government debt stock was TZS 96.89 trillion (\$33.70 billion), with domestic debt accounting for 32.98% and external debt for 67.02% of this sum. The breakdown was:

- Domestic debt: TZS 31.10 trillion (32.98%).
- External debt: TZS 64.94 trillion (67.02%).
- Debt-to-GDP ratio: 45.7% of GDP in FY 2022/23 (46.7% including domestic arrears)
- Debt-to-GDP ratio (2022): 38.3%
- Debt-to-GDP ratio (mid-2023): 53.4%.

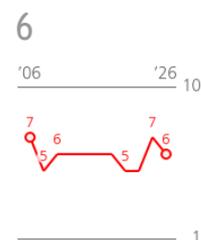
9 | Private Property

Rights and regulations on the acquisition, benefits, use and sale of property are well defined. However, there are problems with enforcement that arise from political and state intervention as well as conflicts between central government ministries and local government authorities. A number of times, ministries have clashed with local authorities over issues of land ownership and acquisition. In some cases, there have been similar clashes among central government ministries.

Although land property rights are regulated, conflicts over land often occur because of the absence of title deeds, the informality of land transfers, the lack of clarity about ownership, corruption and unfair application of the law. In addition, despite the constitution and several laws prohibiting all forms of discrimination in property ownership, customary laws, inheritance practices, traditions and norms often deny women the right to own property. Several projects have been undertaken to clarify and formalize land tenure, settle land conflicts, and issue title deeds, but progress has been exceedingly slow. Most rural land is still not properly documented, creating serious problems with regard to determining adequate compensation for major land investment projects and leading to accusations of land grabbing.

In the 2024 International Property Rights Index, Tanzania was ranked 81st of 125 countries globally and eighth of 27 African countries, with a score of 4.543, slightly worse than in 2022.

Property rights



Since President Hassan assumed office and rolled out reforms, the permitting and protection of private companies have improved compared with the previous regime under Magufuli.

Unlike the previous administration, the Hassan administration views the private sector as a driver of the country's economic development and has improved conditions for private companies.

In the 1990s, a comprehensive program sought to privatize most state-owned enterprises from the socialist era. Since then, private business has become increasingly important. After a slow start, the pace of privatization increased, and by 2014 about 80% of the roughly 400 state-owned enterprises had been privatized. Privatization has not always followed market principles, and the process has often been rife with corruption. Breweries, the tobacco industry, cement companies and banks have been successfully privatized. Practically all manufacturing companies have been fully privatized; however, because some have remained dormant or failed after privatization, the government has repossessed some formerly privatized companies.

The privatization of key infrastructure operators – such as telecommunications, electricity services, airspace, railways and port authorities – has either ceased or remains unfinished. In certain sectors such as telecommunications and electricity, state and private or community-based enterprises coexist.

10 | Welfare Regime

Social safety nets are still in their infancy in Tanzania, and they focus mainly on the formal employment sector. As such, they cover a very small segment of the population (mostly permanent government employees and workers in stable, large firms). According to the Ministry of Health, only 15% of the population was covered by the National Health Insurance Fund (NHIF) in 2021. Since 2023, the NHIF has underperformed and experienced a shortage of funds, rendering it ineffective. Other forms of formalized social security schemes exist, such as community health funds, but most poor individuals rely on informal networks to mitigate social risks. Since the majority of the population is poor, these informal networks can offer only the most basic coverage. The government subsidizes the public health system, but apart from a very few national hospitals, the system is poorly equipped. In 2023, the government proposed a mandatory health insurance program that would cover the informal sector and increase revenue for the health system. Non-citizens can access the social security net if they work for a formal-sector company.

Even formal safety nets provide insufficient support. Pension benefit levels are very low, and most government hospitals struggle to offer essential services. However, life expectancy at birth rose from 66.2 years in 2021 to 66.8 years in 2022. Village community banks (VICOBAs) and savings and credit cooperative organizations (SACCOs) are registered with the central bank and provide financial assistance to their members.

Private enterprise

6



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Social safety nets

4



1

The constitution of Tanzania explicitly prohibits discrimination of any kind based on gender, color, place of origin, political opinion, religion, nationality, tribe or station in life. Article 22 of the 1977 constitution of the United Republic of Tanzania guarantees equal rights for men and women, promoting their full participation in social, economic and political spheres; this is further supported by various policies and strategies aimed at achieving gender equality across different sectors. Some of these include: the National Gender and Women Development Policy (2023); Tanzania Development Vision 2025; the Five-Year Development Plan III; and various laws protecting the rights of women, children, elders and people with disabilities.

Customary laws, usually applied in rural areas, also contradict constitutional principles and deny women equal opportunities in certain instances – for example, inheritance rights.

Despite government programs intended to support people with disabilities, people with disabilities still lack equal opportunities to access education and employment or to live in barrier-free environments.

Cultural norms, poverty and the scarcity of support institutions outside urban areas are the primary factors impeding equal opportunity.

Although there is gender parity in primary school enrollment, the female-to-male enrollment ratio is 1.1 at the secondary level and 0.8 at the tertiary level (World Bank 2022/11).

In November 2021, the government changed its controversial policy that barred pregnant schoolgirls from continuing their education. Pregnant schoolgirls are still required to leave school, but now may resume their studies after giving birth.

Completion rates at the primary, secondary and upper secondary levels of education depend significantly on place of residence and economic background. Students from urban and wealthy backgrounds are more likely to complete their education than those from rural and poor backgrounds.

The Persons with Disabilities Act No. 9 of 2010 outlines provisions for health care, social support, accessibility, rehabilitation, education, employment and the protection of basic rights for individuals with disabilities. One provision of the act is that whenever employment opportunities arise at government institutions, each institution must ensure that at least 3% of its hires are persons with disabilities. However, this requirement has not been enforced in most public or government institutions. Incidents of discrimination against non-citizens in Tanzania are not common, and have not been widely reported or documented.

Equal opportunity

6



In 2018, women made up 38.5% of Tanzania’s total higher-education enrollments, below the sub-Saharan Africa average of 42.3%. According to the Tanzania Commission for Universities in 2020, the gender imbalance is still more acute in science, technology, engineering and mathematics (STEM) programs, where female students account for only 33.6% of the total student population. This occurs amid widespread gender-based violence, an ongoing issue in many parts of Tanzanian society. On another note, a gender quota of 30% exists for women candidates in national and local elections. However, the proportion of women in leadership positions is less than 30%. As of February 5, 2020, the total number of public servants in Tanzania was 526,717. Accordingly, 224,346 (43%) were women and 302,371 (57%) were men. This indicates that there were fewer women employees in the public sector than men.

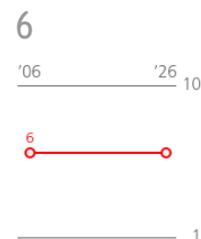
11 | Economic Performance

According to the central bank’s 2024 report, the performance of the domestic economy in the first three quarters of 2024 was estimated to be satisfactory. GDP growth in Mainland Tanzania was 5.6% in the first quarter, compared with the 5% recorded in the corresponding period in 2023. Activities that contributed most to growth included construction, agriculture, financial and insurance, and transportation. The annualized economic growth rate was estimated at 5.8% and 5.6% in the second and third quarters of 2024, respectively, and the economy was projected to grow at around the same pace in the fourth quarter of the year. This projected growth has been bolstered by improvements in global and domestic economic conditions. The Zanzibar economy grew by 6.4% in the first quarter of 2024, driven by the transport, financial and insurance, and construction sectors, and was projected to grow at the same high levels during the later periods of the year.

According to the World Bank, GDP per capita (adjusted for purchasing-power parity) was \$3,973 in 2023, compared with \$3,451 in 2021. Tanzania continues to be one of Africa’s fastest-growing and most consistently performing economies, but the vast majority of the population still has very low material wealth.

Inflation rates remained stable and within the country’s and regional convergence targets. Headline inflation was 3.1% in the quarter ending September 2024, with projections of about 3.2% in the subsequent quarter. The stability of consumer goods prices in the world market, adequate supply of food goods, a stable power supply, and prudent monetary and fiscal policies are expected to contribute the most to containing inflation pressures. Inflation also eased in Zanzibar, reaching a rate of 5.1% in August 2024, attributable to both food and non-food prices, and is projected to remain consistent with the target of 5%. Upside risks to the inflation outlook include potential supply chain disruptions due to geopolitical conflicts.

Output strength



According to the 2024 BOT report, growth in the money supply slowed slightly in July – September 2024 relative to the preceding quarter. Private sector credit growth remained robust, averaging 17.1%, as in the previous quarter. Lending risk remained low, as reflected in improved bank asset quality, with the non-performing loan ratio decreasing to 3.9% in August 2024 from 5.1% in the corresponding month of 2023. Private sector credit growth is expected to remain high as global and domestic economic conditions continue to improve, supported by policies intended to boost economic growth. Foreign exchange inflows improved due to a seasonal increase in tourism and exports of food and cash crops. The high price of gold in the world market also contributed to foreign exchange inflows. The exchange rate depreciated at a slower pace, 10.1% year over year in September 2024, compared with 12.5% in June 2024. Foreign exchange reserves were high, amounting to USD 5.41 billion at the end of September 2024, up from USD 5.35 billion in June 2024. The reserves accounted for more than four months of projected imports, which aligned with the country’s requirement.

Likewise, fiscal performance for 2024 was satisfactory, with tax revenue surpassing the target, largely attributable to improved tax administration and compliance. Expenditure was aligned with the available resources. Public debt amounted to \$37.72 billion, equivalent to 46.9% of GDP, within the SADC macroeconomic convergence criterion.

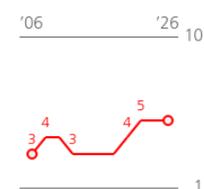
The debt was 60% of GDP in nominal terms. In net present value (NPV) terms, the debt was 36.4% of GDP for 2023/24, lower than the ceiling of 50% set forth in the EAC convergence benchmarks. Relatedly, the external sector continued to improve as the global economy normalizes from the economic shocks. The current account deficit was estimated at 3.2% of GDP in the year ending September 2024, down from 4.4% in the corresponding period in 2023.

12 | Sustainability

Tanzania has ratified a number of multilateral environmental agreements and implemented policies, strategies, legislation and agendas that address a wide range of environmental issues, such as water, energy, fishing and coastal environmental resource management. In response to a dramatic loss of natural forest – which covers between 30% and 40% of the nation’s territory – due to degradation and deforestation, Tanzania passed a National Strategy and Action Plan on Reducing Emissions from Deforestation and Forest Degradation, as well as policies on sustainable forest management and the conservation and enhancement of forest carbon stocks (REDD+) in 2013. In 2018, parliament formally endorsed the Paris Climate Change Agreement. In 2021, the government presented the National Climate Change Response Strategy (2021 – 2026). The Environmental Master Plan (2022 – 2032) from June 2022 describes goals and interventions in 12 areas, including massive tree planting, mobilization for the use of alternative energy to reduce

Environmental
policy

5



dependence on firewood and charcoal, protection of water sources, creation of a comprehensive waste management system, and the enhancement of institutional capacity with the aim of improving environmental governance. The National Environment Management Council (NEMC) has existed since 1983 (reestablished in 2004) and plays the role of environmental watchdog, supervising national environmental legislation and taking legal action against institutions or companies that infringe on the law. The government adopted a National Environmental Policy in 1997, which was translated into an Environmental Management Act passed by parliament in 2004.

The major challenge remains the implementation and enforcement of policy and legal instruments. For instance, research on air quality in Dar es Salaam, conducted in 2019/20 by C40 Empowering Cities with Data (ECWD), revealed that air quality in all municipalities was unsafe and exceeded WHO air quality standards. Major challenges include: 1) low capacity (tools and human resources); 2) weak finances; and 3) existing technologies (largely old, with high levels of energy consumption).

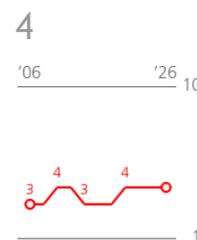
According to the World Bank, the gross enrollment ratio at the primary level of education in Tanzania was 93.07% in 2023. Results from the National Panel Survey (NPS) conducted by the World Bank revealed that the most significant improvement in net enrollment was at the secondary level, with a national increase of 14.3 percentage points (from 24.7% in 2014 – 2015 to 39.0% in 2020 – 2021) in rural areas, followed by an increase of 25.6 percentage points (from 41.4% in 2014 – 2015 to 67.0% in 2020 – 2021) in urban areas.

Regarding the literacy rate, about 76% of Tanzanians were literate in 2020/21, up from 69.8% in 2014/15, reflecting improvements across all strata, but particularly in rural mainland areas and in Zanzibar. Dar es Salaam, where individuals have better access to educational services, continued to have the highest literacy rate in the country, at 93.9% in 2020/21. The largest improvement was in Zanzibar, where the literacy rate increased by 11 percentage points, from 74.3% in 2014/15 to 85.3% in 2020/21.

According to World Bank data, Tanzania spent a sum amounting to 3.26% of its GDP on education in 2023. Primary school fees were abolished in 2001. In 2016, the Magufuli administration abolished fees for O-level secondary schools. The move increased secondary school enrollment but also significantly raised the student-teacher ratio. Even so, poor families still face considerable financial burdens from other costs such as books, uniforms, food and transportation, often leading to high dropout rates.

Tanzania adopted a new Education and Training Policy (2023) during the review period. Implementation began in January 2024. The policy introduces major changes in the country's education sector. Developed after extensive consultations with stakeholders, it restructures the school system and emphasizes 21st-century skills

Education policy /
R&D



such as communication, collaboration, creativity and critical thinking. The new policy places stronger emphasis on practical education, including technical and vocational training starting with form one. It also aims to harmonize higher education with national priorities and labor market demands.

As of February 2024, 49 approved university institutions were operating in Tanzania. Of these, 19 were publicly owned and 30 were privately owned. However, at most institutions, the quality of teaching and research remains far below international standards. In 2022, gross domestic expenditure on research and development as a share of Tanzania's GDP amounted to 0.52%. Compared with the previous year, R&D spending as a share of GDP rose by 1%. In absolute terms, the country's gross spending on R&D amounted to \$870 million in 2022.

Governance

I. Level of Difficulty

Tanzania's very low level of economic and social development, weak basic market-economy structures, poorly educated populace, poorly trained workforce, scant civic traditions, inefficient state administrative systems, and only moderately established rule of law create extremely adverse conditions for a strong, committed transformation process. Despite this, positive factors include broad support for the state, peaceful political traditions, and the absence of serious ethnic and religious disparities (a degree of national identity and integration that is comparatively high for Africa) – at least with respect to the mainland. Other positive factors include an abundance of natural resources and the country's geographic location on the Indian Ocean, making it a trading hub for landlocked neighboring states. However, climate change and increasingly frequent natural disasters threaten the generally favorable conditions for agricultural production.

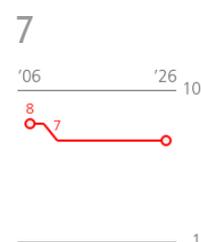
The country lacks modern physical infrastructure (although this is expanding rapidly), and heavy use and inadequate maintenance have stressed existing facilities, requiring renewed investment in them every few years.

Several major infrastructure projects aimed at improving ports, airports, railways, roads, and energy generation and distribution have been completed or are underway.

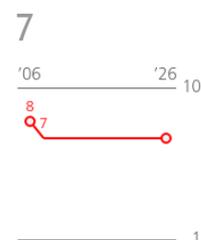
Despite fundamental structural difficulties, the government is pursuing a strategy of transformation and industrialization, albeit inconsistently.

There are three stages in the evolution of civil society: 1) infant, 2) maturity and 3) consolidation. Tanzanian civil society is at the infant stage. During the colonial phase, the colonial administration repressed any civil movement because, at that point, civil societies sought to mobilize the population to demand independence. At independence, civil societies that had long supported TANU (the pro-liberation political party under the later President Nyerere which brought independence) were banned as the country adopted socialist policies and a single-party politics. While local authorities elected by the people were abolished in 1972, the cooperatives were disbanded in 1976. Furthermore, trade unions were controlled by the government. They were allowed to operate more freely only in the 1990s, after the country reversed its socialist policies.

Structural
constraints



Civil society
traditions



During the single-party era, public and civic engagement were monopolized by the ruling party. During the economic crisis of the 1980s, local support groups emerged and were tolerated by the government. The political liberalization of the 1990s brought a proliferation of non-governmental organizations. The vast majority of these organizations tend to directly support their members and refrain from political or civic engagement. The small number of professional CSOs, located mainly in big cities, are heavily dependent on foreign funding and generally lack solid social roots. They must also navigate between outright opposition to the government and constructive cooperation with authorities.

Under President Kikwete (2005 – 2015), CSOs gained considerable recognition, whereas the Magufuli government (2015 – 2021) drastically curtailed space for CSOs and civic activity in general. Organizations and activists faced persecution, and new legislation increased state control over the sector. Although restrictive legislation remains in force, President Hassan’s more liberal policies have expanded opportunities for civil society engagement. The contributions of CSOs, including those critical of the administration, are valued, and CSOs take part in policy development and legislation.

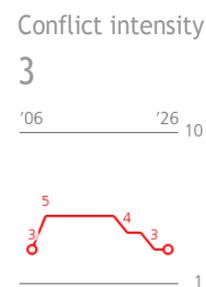
Conflict intensity is very low. The population and political elite strongly reject violence as a means of political conflict. People of different religious, ethnic and socioeconomic backgrounds generally live peacefully together. Political, religious and civic leaders avoid mobilizing along lines of difference and instead preach unity.

However, violent conflicts have increased in frequency over the past 20 years, mainly due to tougher competition in the economic and political spheres. This increase can be attributed to growing income disparities and the combined effects of population growth and the increasing degradation of arable land.

The various deep-rooted conflicts in Zanzibar – the intertwined conflicts between Zanzibar and the mainland, between the two main islands, and between the government and the opposition – pose a serious challenge to peaceful development. Institutionalized cooperation between the two major political parties in Zanzibar within the government of national unity (GNU) and the opposition party’s decision to participate in the GNU despite its accusation that the 2020 elections were rigged have significantly reduced tensions.

At the union level, President Hassan’s conciliatory approach is likely to reduce political polarization and conflict, both of which were significant under her predecessor. However, doing so will require substantial reforms, including the abolishment of restrictive laws and the establishment of independent electoral commissions.

Another area of conflict involves land allocation and use. There have been flare-ups between government authorities and residents in rural and urban areas over the reallocation of land for purposes of economic development. In several rural areas, tensions have mounted between agriculturalists and livestock herders, necessitating



involvement by the state, human rights activists and political entrepreneurs. Population growth, combined with economic growth and the expansion of livestock and farms, has already intensified competition for land and may – particularly in light of the effects of climate change and environmental destruction – lead to more violent conflicts.

II. Governance Performance

14 | Steering Capability

Tanzania has been ruled by one political party, the CCM (formerly TANU), since it attained independence. The president, who doubles as the party chairperson, sets the priorities of his or her tenure. Despite the country’s commitments to the Sustainable Development Goals (SDGs), 50-year development plans, five-year development visions and so on, the government of the day, under instructions from the president, has tended both to set strategic plans and postpone them in favor of seeking short-term political benefits. Moreover, depending on the nature of the president, the government regularly deprioritizes such plans in favor of short-term interests associated with political bargaining and office-seeking.

The government has laid out several development plans in close cooperation with the donor community and in part in consultation with representatives of civil society organizations (CSOs), local research and higher education institutions, the private sector, and vulnerable groups, among entities.

The key document is the 1999 Tanzania Development Vision 2025 (TDV 2025), which sets the target of becoming a semi-industrialized, middle-income country by 2025. The Long-Term Perspective Plan (LTPP) (2011/12 – 2024/25) includes the Roadmap to a Middle-Income Country and provides a framework for implementing TDV 2025. Three consecutive five-year development plans (FYDPs) set priorities and operationalize the LTPP. The FYDPs are operationalized by annual development plans.

Poverty reduction strategy papers, known by the Swahili acronyms MKUKUTA and MKUZA, also aim to implement TDV 2025. MKUKUTA I (2005/06 – 2009/10) and MKUKUTA II (2010/11 – 2014/15) were developed and monitored with significant civil society participation and were aligned with the IMF’s and World Bank’s prevailing policy advice at the time.

Several sectoral reform programs provide additional tools to implement TDV 2025. Tanzania was active in designing programs to implement the Millennium Development Goals (MDGs) and the Sustainable Development Goals (SDGs). The process of developing the domestic SDG agenda began in 2012 and again involved various sectors of society.

Question
Score

Prioritization

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'06 _____ '26 10



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Numerous development plans have in fact been created, but the extent to which they have been linked in practical terms remains unclear. The question of whether they allow for the necessary prioritization of goals and measures has also lacked clarity. The government has responded to this challenge by integrating the FYDP, MKUKUTA and the SDGs into a single framework in the form of the FYDP.

The implementation of plans and strategies is usually evaluated with input from external experts and representatives of the affected population.

The main goal of any government is to exercise and maintain power, especially in a dominant-party system like Tanzania. Against this backdrop, it is not surprising that efforts to implement government policies align with the government's quest to maintain power and the status quo. Viewed this way, the government's top priority remains clinging to power, followed by other issues – including policy implementation. It is fair to observe that many government actions are driven by “political expediency” in the quest to ensure the government implements the agenda that sustains the capture and maintenance of state power.

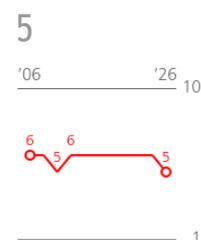
The government has proved capable of achieving most of its macroeconomic objectives. Although annual GDP growth lags behind the envisioned 8% rate, Tanzania officially reached lower-middle-income status in mid-2020, five years ahead of schedule. In addition, most planned infrastructure projects have been completed or are in progress.

However, most MDGs and SDGs have not been met – particularly those concerning the eradication of extreme poverty and hunger.

Serious implementation deficits stem from several factors: the presence of an underpaid, unmotivated and frightened administration, particularly at lower levels; a significant gap in knowledge and competencies between higher and lower administrative levels; high rates of personnel turnover in the state administration; a top-down management culture in the state administration with a high degree of centralization in decision-making; a lack of clarity regarding which authorities are responsible for specific tasks; insufficient funding for implementation; and corruption, theft, nepotism, embezzlement, negligence and impunity, which have diminished but not disappeared. Budget targets for investment projects are regularly unmet (at best, only two-thirds are met) because of the low implementation capacity of state institutions.

The current government – like its predecessor – is working to address obstacles to the successful implementation of its development programs. There have been visible improvements in physical infrastructure, particularly with regard to roads, as well as in school and hospital equipment, the management of public resources, and efficiency and work discipline in the state administration. Political reforms have also been implemented, including a liberalization of the political environment and the lifting of bans on media outlets, political rallies and pregnant schoolgirls' ability to attend classes. The business environment has also been successfully improved.

Implementation



It can be difficult to determine when policy learning has taken place. There have been instances in which the government has sought to be flexible and innovative. In general, political leaders exhibit policy learning and have replaced failed policies with innovative ones. For instance, during the COVID-19 pandemic, President Magufuli decided to reject scientific and WHO guidelines. When President Hassan assumed office, she adopted a different approach, and the country followed suit. Overall, policy learning is evident, but it rests – or swings – with the orientation of the incumbent president.

The previous government, and President Magufuli in particular, showed little willingness to engage in policy learning, with many policies rigidly enforced despite concerns expressed inside and outside the country. In contrast, President Hassan has repeatedly made it clear that successful policymaking also requires criticism and independent expertise. Since taking office, she has initiated several policy reforms. Reviews of existing policies and the formulation of new aims, content and procedures frequently include opinions and advice from experts, stakeholders (such as NGOs) and target groups. New policy papers usually contain paragraphs on lessons learned.

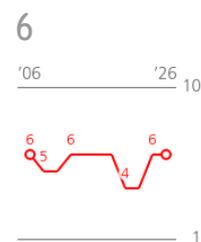
However, cooperation with the international donor community appears to be decisive for policy enhancement and innovation, as well as for introducing new instruments to plan, execute, monitor and evaluate development measures.

15 | Resource Efficiency

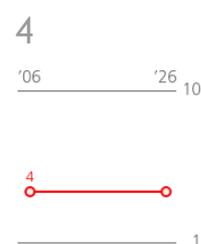
Using resources efficiently remains a key challenge in Tanzania. Clientelism and incompetence, coupled with nepotism, corruption and state capture, are forces exacerbating this difficulty. Year after year, reports compiled by the National Audit Office (NAO) are presented to the president and parliament by the controller and auditor-general (CAG) revealing how government funds are embezzled at both the central and local government levels. Yet since the CAG has no teeth, the officials responsible are not held to account. Further, the so-called decentralization process has not helped citizens in their localities hold government officials responsible. In fact, decentralization has not empowered citizens at the grassroots level. Real power remains at the central level, and public officials are consequently not accountable to citizens, but rather to the central government. All key appointments are made centrally by the president and, to a lesser extent, by the responsible ministers. In most cases, merit is not necessarily a determinant; rather, clientelism, networks and flattery are.

Despite several reform programs aimed at decentralizing the administration and enhancing its competence, efficiency and transparency, many (if not most) civil servants remain insufficiently competent, poorly trained and undermotivated, particularly at the regional, district and local levels. Appointments to senior positions in the administration are made directly by the president, and personnel are frequently transferred to other positions.

Policy learning



Efficient use of assets



In general, the government has structures and mechanisms to coordinate policies and manage conflicting objectives. Nevertheless, interministerial cooperation is poorly institutionalized and leaves considerable room for improvement. The State House (president's office) and the chief secretary serve as centers for coordination among conflicting interests, albeit inadequately. President Hassan has indicated that conflicts between senior staff in ministries and the administration were among the reasons for her frequent reshuffles of personnel. Inadequate communication, poor understanding of responsibilities and a lack of vetting procedures when filling posts are among the reasons for these conflicts.

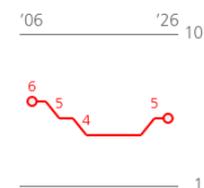
Policy design usually involves the relevant ministries and departments, particularly at the highest levels of the national government. There is also intended to be regular policy coordination among the national, regional, district and local levels, but this coordination is highly deficient and frequently undermined by local interests. These interests are difficult to monitor and control from the center. The country's sheer size makes it difficult to improve policy cohesion across the territory.

Overall, the capacity for policy coordination has largely depended on the nature and power of the incumbent president. In most cases, when presidents have been laissez-faire in this regard, capacity has been compromised; when presidents have paid closer attention, the capacity to coordinate has been enhanced. However, there is a contrast between President Magufuli's and President Hassan's leadership styles and personalities. At one point, President Hassan said she could not match President Magufuli's effectiveness and resilience in following through on issues. Despite Magufuli's erratic and unpredictable style, the government's capacity to coordinate conflicting objectives and policies was higher than it is now, when the scope of policy harmonization between competing actors and demands seems to be limited.

The government has not been able to contain corruption effectively, and has only intermittently sought to do so. Its evident resolve to fight corruption has diminished further due to its failure to take action against corrupt officials who are exposed by the CAG reports year after year. Likewise, the Prevention and Combating of Corruption Bureau (PCCB), the country's anti-corruption authority, lacks the capacity to fulfill its mandate. Political parties are required to submit their expenditure reports for auditing under the Election Expenses Act of 2010. However, this requirement has not been observed, as many political parties have failed to do so without consequence. Citizens' access to media and information remains limited, especially in rural areas. The country's weak civic culture, coupled with infrastructure barriers and poverty, makes it difficult for the majority of the population to have meaningful, impactful engagement in politics and to hold leaders to account. Leaders are not honest in making their asset declarations and stating conflicts of interest, and the public procurement system is sometimes compromised.

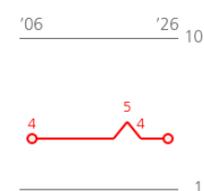
Policy coordination

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Anti-corruption policy

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16 | Consensus-Building

Not all major political actors agree that democracy is a strategic long-term goal, particularly within the ruling CCM party. President Hassan and her inner circle have consistently declared that democracy is a major goal and introduced reforms, albeit cautiously, to reverse the autocratic transition pursued by her predecessor. In practice, they have refused to implement electoral reforms that would create a level playing field on which they could compete fairly with the opposition. The leaders of opposition parties, civil society organizations (CSOs) and religious leaders agree that democracy is an important goal and have demanded further reforms to reestablish and strengthen it. However, opposition parties have shown only limited commitment to genuine democratic values and practices, especially in their internal procedures for filling leadership positions and handling intraparty conflicts.

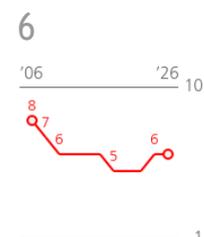
Major political actors have shifted their economic focus from a state-driven economic model to a market-driven economic model. Under President Magufuli, there was a strong drive to bring back the state-driven economic model, as the government once again started to engage more deeply in economic activities. However, President Hassan has taken a different tack. State intervention in the economy has again been rolled back, and the private sector is being encouraged to take a more leading role. However, it remains to be seen whether this is a sustainable change or just a presidential position that has forced other major actors to appear to agree.

Because the country has a dominant-party system and state-party fusion, reformers stand little chance of overcoming anti-democratic veto actors. In 2010, President Kikwete initiated a reform process and formed a Constitutional Review Commission chaired by Justice Joseph Warioba, with a view to drafting a new constitution. The draft of the proposed new constitution was presented in parliament, but was ultimately not adopted. Calls for a new constitution continue today. In the formative days of Samia Suluhu Hassan's presidency, she promised that her administration would kick-start the process of drafting a new constitution, but as of the end of the review period, nothing had been done. Those seeking a constitutional revision want a new document that would align with democratic values and principles, allowing such values to be entrenched in the country's legal framework.

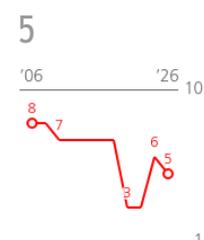
In general, both the president and the ruling party, CCM, can be reformist or anti-reformist, but even a reformist president must account for powerful anti-reformist actors in the party. The current president, Hassan, began as a reformer, at least rhetorically, but a number of the political reforms she proposed have not been implemented. It is unclear who blocked their implementation, but the power play between various factions within the party probably played a large role.

Reform actors outside the party have no means to push for democratic reforms.

Consensus on goals



Anti-democratic actors



Tanzania's political leadership has sought to follow former President Nyerere's direction on the issue of conflict management. It has continued to prevent cleavage-based conflicts from escalating. Notably, since President Hassan assumed office, no major or moderate cleavage-based conflict has emerged.

There are no politically significant, deep-rooted ethnic, religious or separatist cleavages in Tanzania – with the exception of Zanzibar. Moderating conflict and integrating different interests have long characterized politics in Tanzania, sometimes at the expense of more substantial reforms.

Marking a contrast to decades of inclusive politics, former President Magufuli's authoritarian stance deepened the split between the ruling party and the opposition. President Hassan's initially conciliatory approach has helped defuse that conflict, but a return to authoritarianism since mid-2023 has widened the rift again.

By providing for a government of national unity (GNU) that includes all political parties represented in the Zanzibar parliament, the 2010 amendment to the Zanzibar constitution has helped reduce tensions between supporters of the islands' two main parties. Conflict intensified again after the 2015 elections, when the Zanzibar Electoral Commission voided the vote and ordered a rerun that the main opposition party boycotted. Consequently, during the period from 2015 to 2020, the opposition was excluded from the government.

The situation has improved somewhat since then. Despite disagreements over the credibility of the 2020 elections and over human rights violations that occurred during them, the opposition agreed to join the Zanzibar government of national unity. However, the opposition has repeatedly threatened to leave the unity government, accusing the ruling party of blocking the agreed-upon steps toward reconciliation.

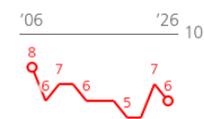
By and large, the political leadership does not consistently consult a plurality of societal actors in the course of decision-making. However, there have been differences over time, with a slight improvement under Hassan compared with the Magufuli period.

During Kikwete's presidency (2005 – 2015), the political space for civil society participation expanded considerably. CSOs were increasingly accepted by the political leadership as important and legitimate contributors to the country's development. They were empowered to initiate new legislation, were consulted by parliament, and were involved in formulating new laws and policies. However, this applied only to some CSOs that worked professionally in large towns and cities, particularly in Dar es Salaam. Moreover, in several cases (for example, the formulation of media laws), CSOs' demands for participation were ignored.

The Magufuli administration displayed a rather negative attitude toward CSO participation in the political process. It repeatedly intimidated and threatened CSOs and their personnel, and it enacted several restrictive laws that increased government control over the sector.

Cleavage /
conflict
management

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Public
consultation

4



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Although restrictive laws remain in force, the climate for CSOs has improved significantly since President Hassan took office. Organizations' critical contributions have been explicitly encouraged.

In the conventional sense, mainland Tanzania does not have a history of acts of injustice that resulted in a division between victims and perpetrators, and which forced the political leadership to bring about reconciliation.

However, Magufuli's authoritarian policies not only divided society but also deeply harmed the opposition.

The political leadership has addressed historical acts of injustice only as a means of serving its own interests. For instance, when it wanted to be seen as reformist and win over donors and the international community, it paid opposition leader Tundu Lissu (who was shot and sought asylum and treatment in Belgium) all his benefits as a member of parliament. Likewise, another opposition leader, Freeman Mbowe, was released from prison after the government dropped all charges against him. However, other leading critics who have been abducted or disappeared did not receive the same treatment or get justice (nor did their families, in the case of those who were disappeared).

In Zanzibar, actors from the two rival political parties have overcome differences that deepened after the 2015 elections and escalated into violence during the 2020 elections. After lengthy internal deliberations, the leadership of the opposition ACT-Wazalendo Party accepted new Zanzibar President Mwinyi's offer to join the government of national unity. Mwinyi promised cooperation and reconciliation.

However, the situation is complex. Memories of the "1964 Revolution" in Zanzibar – in which the sultan's government was toppled, between 5,000 and 15,000 people were killed, and thousands were exiled and expropriated – have been manipulated by the victorious social and political group that has held power since. There have been no attempts to reconcile with the various victims or to allow interpretations of these violent events that differ from the official narrative. Furthermore, especially during election campaigns, some members of the ruling CCM party have manipulated history to agitate against the main opposition party, which they accuse of planning to reintroduce the pre-revolutionary order.

No efforts have been made to redress various post-revolution injustices, including repression under the autocratic rule of Zanzibar's first president, Abeid Karume (assassinated in 1972), and more recent human rights violations against members and supporters of the opposition.

Reconciliation

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'06 '26 10

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17 | International Cooperation

Through the Tanzania Development Vision 2025 (TDV 2025), the government has articulated a clear vision for the country's economic and social development. Medium- and long-term implementation strategies have been developed, as have several sector reform programs, plans, policies and strategies. The results have been mixed. Macroeconomic goals have been achieved, in particular the attainment of lower-middle-income country status. There have also been successes in social areas (higher life expectancy, reductions in infant and maternal mortality, etc.). In December 2024, the government presented its Draft Tanzania National Vision 2050, which was developed with the participation of various stakeholders and describes a long-term perspective for the development of Tanzania into a peaceful, democratic and environmentally responsible upper-middle-income country.

For many years, successive governments have cooperated constructively with a wide range of bilateral and multilateral donors to promote Tanzania's transformation to democracy and a market economy. In this regard, they have made extensive use of international aid and cooperation and appear to have undergone a substantial learning process. To some extent, this also applies to South-South cooperation, in the course of which successful approaches from other countries are partially adopted.

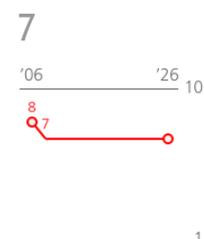
While former President Magufuli was skeptical of international cooperation – which he branded as unwanted interference in internal affairs – President Hassan has placed great value on working with the international community. Relations with international partners have improved significantly since she took office; this has been evident in the form of increased trade, direct investments, and project loans and grants.

The implementation of policies and programs has improved. However, policy inconsistencies, inefficiency, embezzlement and corruption still pose major obstacles to implementation. Nevertheless, the increased flows of external project funding have allowed the government to utilize at least some of its own funds for politically motivated, short-term expediencies.

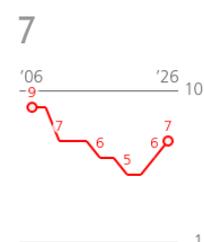
For many years, Tanzania's international partners held a consistent and largely predictable view of the government. Bilateral and multilateral development partners generally regarded Tanzania positively, and the government complied with its international commitments, although it often submitted reports to international bodies very late or not at all.

Former President Magufuli's authoritarian stance, reflected in constant violations of democratic principles, human rights and the rule of law; his handling of the COVID-19 pandemic; his erratic nationalist economic course; and his increasingly anti-Western rhetoric tarnished Tanzania's image as a reliable partner.

Effective use of support



Credibility



Since taking office, President Hassan has made it clear that reliable cooperation with international partners is a priority for her administration. Her intense diplomacy and reform agenda have aimed to restore the international community's confidence in the government's credibility.

Tanzania has assumed a leading role in the East African Community (EAC), the Southern African Development Community (SADC) and the African Union (AU). It has been actively involved in maintaining peace in eastern Democratic Republic of the Congo (DRC) under the auspices of both SADC and EAC. Furthermore, Tanzania is fully committed to climate change agreements, core ILO labor standards and other international standards it has ratified.

Tanzania generally maintains good relations with all its neighbors and participates in numerous joint trade and infrastructure projects. The country is a member of various international political and economic organizations in southern and eastern Africa, most notably the EAC and SADC.

President Hassan has improved relations with neighboring states, which had deteriorated due to Magufuli's nationalist economic policies and unilateral approach to the COVID-19 pandemic. In particular, President Hassan has significantly improved previously strained relations with Kenya, an important partner and economic and political competitor. These relations had frayed under Magufuli's tenure, and were overshadowed by trade disputes and mutual accusations of business harassment.

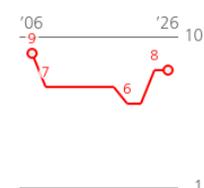
Tanzania has assumed a leading role in the East African Community and facilitated the entry of South Sudan, Somalia and the DRC as new members.

During the review period, no progress was made in resolving the simmering border dispute with Malawi. Both sides are relying on international arbitration, and have maintained neighborly relations.

Tanzania has contributed troops to the Southern African Development Community Mission in Mozambique (SAMIM) and to the UN's MONUSCO mission in the DRC.

Regional
cooperation

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Strategic Outlook

Samia Hassan was not initially elected to the presidency on the basis of her own agenda. However, since assuming office, she has reversed numerous policies pursued by her predecessor's government, of which she was a senior member. She has instituted a number of reform measures geared toward reversing the authoritarian approach adopted by President John Magufuli. However, some key issues remain unresolved, and doing so will require more than statements of intent and a change in policy direction.

One such issue is the review of the constitution, which sets the rules of the political game. As long as the 1977 constitution that gives so much power to the president remains in place, it will be difficult to institutionalize and sustain reforms. Although President Hassan committed in 2022 to the launch of a constitutional reform process but that vigor has since seemed to have waned. Toward the end of the review period, the government's official position was that the constitutional review process would begin only after the 2025 general election. Given the tight time frame before the October 2025 election, President Hassan could take swift measures to amend contentious provisions that affect the fairness, freedom and credibility of the elections. These could include, but are not limited to, reforming the electoral commission and ensuring its autonomy.

On the economic front, President Hassan and her government have implemented a reform agenda aimed at opening the market. However, while President Hassan has been lauded for reforming the economy, the key question is whether the population is benefiting through employment and local workforce development, technology transfer, local sourcing of goods and services, joint ventures, research and development, and corporate social responsibility. As in the past, the government's capacity to negotiate and forge win-win outcomes for both the country and investors has proved limited. Therefore, there is a need to empower government negotiating teams and ensure they secure the best deals for the nation in investment and privatization contexts. To promote more inclusive growth, active support is needed for small and medium-size enterprises to create much-needed jobs, particularly in rural areas. The high level of youth unemployment poses a latent threat not only to economic development but also to the country's peaceful political development. Much greater emphasis should be placed on developing and modernizing the large – yet previously neglected – agricultural sector. Supporting small-scale farmers could serve as an alternative to large agro-industrial investments. Another major challenge involves improving the quality of education at all levels and enhancing teaching and learning environments. The same applies to vocational training. Without a comprehensive, broad-based improvement in the population's educational attainment, Tanzania's overall development level will not see significant growth. Likewise, to combat corruption and embezzlement, the focus should be on structural and institutional reforms.

For President Hassan to be able to deliver, she must ensure she is elected in the October 2025 election. Therefore, she must maintain loyalty within her party and government. Some senior party and cabinet members who had been staunch supporters of President Magufuli have expressed doubt about her policies and approach. When she reached out to the opposition with her 4R philosophy, some members of her party were critical. As of the end of the review period, she was still reshuffling and appointing senior cabinet members. It will be incumbent upon her to be nimble and select a team loyal and committed to her cause and philosophy so she can deliver on her mandate.